

conditions. In Brazil and the Argentine the paper money was gradually reduced and a system was established based upon the issue of paper at a fixed rate in gold, which restored to these countries most of the benefits of a gold standard.

Banking relations between Latin America and other continents have been chiefly in the hands of European bankers and trade with North America has been carried on through them. The first International American Conference, held in Washington in 1889, recommended the creation of an international American bank and several bills to this end were introduced in Congress, but up to 1908 the project had not reached a more tangible stage. At the third of these conferences, held in Rio de Janeiro in 1906, a step was taken towards closer co-operation in bringing about stable monetary conditions by the adoption of resolutions recommending to each government a study of the subject, and that these studies be effected through the International Bureau of American Republics at Washington, in order that a resume might be distributed among the several governments at least six months before the meeting of the next conference. *

The Banking and Paper Issues of Brazil.

The monetary and banking history of Brazil fully set forth would contain much of interest bearing upon the effect of changes in the quantity of money upon its value and upon the possibility of maintaining comparative parity of foreign exchange without direct redemption of paper in coin. The issue of paper money dates back to soon after the coming to Brazil of the royal family, expelled from Portugal by Napoleon in 1808. As early as 1819, the paper became redundant and the exchange value of the milreis, which at par was five shillings seven and a half pence, fell to four shillings.³ An effort was made in 1833 to restore fixity of exchange upon the new basis of three shillings seven and

¹ Terceira Conferencia Intemadonal Americana, Ada da Dedma Segunda Sessas em 23 de Agosto, de igo6> 4.

² \vileman, Brazilian Exchange^ 160.